

**ASSEMBLY BILL**

**No. 1077**

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**Introduced by Assembly Member Anderson**

February 27, 2009

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An act to add Section 17140.6 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1077, as introduced, Anderson. Income taxes: exclusion: military retirement benefits.

The Personal Income Tax Law provides various exclusions from gross income in computing tax liability.

This bill would provide an exclusion from gross income for retired pay and survivor annuities received by an individual as a result of the active service of a member of the Armed Forces of the United States.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17140.6 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17140.6. (a) Gross income shall not include retired pay and
- 4 survivor annuities received by an individual as a result of the active
- 5 service of a member of the Armed Forces of the United States.
- 6 (b) For purposes of this section:

1     (1) “Retired pay” means retired pay (including disability retired  
2     pay) computed by reference to Chapter 71 of Title 10 of the United  
3     States Code.

4     (2) “Survivor annuities” means annuities payable pursuant to  
5     Chapter 73 of Title 10 of the United States Code.

6     SEC. 2. This act provides for a tax levy within the meaning of  
7     Article IV of the Constitution and shall go into immediate effect.

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